

## LNF & IHCIF Calculations Illustration **- TOIYABE in California area -**

### Given Data

- 2,650 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 45% = % Expenditures on purchased services, 55% = % expenditures in-house
- 109.6% = Cost index for purchasing health care in this geographic area
- 121.8% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

### Cost Adjustment Calculations

- \$1,470 per person for purchased services =  $45\% * 109.6\% * \$2,980$
- \$1,996 per person for in-house services =  $55\% * 121.8\% * \$2,980$
- \$3,466 per person total = \$1,470 (purchase) + \$1,996 (in-house)
- **\$3,325 per person total** adjusted for health status =  $\$3,466 * 95.9\%$
- **\$2,580 per person net cost** =  $\$3,325 - \$745$  Other resources (M&M&PI)

### Existing Expenditures (for 2,650 users excluding wrap-around and collections)

- \$1,188 per person = local IHS allowance (excludes \$ for wrap-around)
- \$222 per person = expenditures elsewhere in California area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,463 per person for OU users** =  $\$1,188 + \$222 + \$54$

### LNF Calculation

- **44.0% Gross LNF** =  $\$1,463$  (expenditures) /  $\$3,325$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **56.7% Net LNF** =  $\$1,463 / \$2,580$  net cost ( $\$3,325 - \$745$  other)

### IHCIF Allocation

- \$224,241 = \$ to raise LNF% from 56.7% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$7,822 Allocation** =  $\$224,241$  needed for 60% \* 3.488% IHCIF fraction

### TOIYABE Unmet Needs

- **\$6,836,667 Net Total Need** = 2,650 users \* \$2,580 net cost
- **\$2,958,908 Net Unmet Need** =  $(100\% - 56.7\% \text{ LNF}) * 2,650 \text{ users} * \$2,580 \text{ net cost}$